



**TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2003-50
June 10, 2003
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AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

June 2003

During our audit of the Twenty-Second Judicial Circuit, City of St. Louis, Missouri, Municipal Divisions, we identified certain management practices which we believe could be improved.

The July 31, 2002 balance in the municipal divisions' bond account included cash bond receipts totaling more than \$679,000 which have been held in excess of one year. In addition, this balance includes several bonds from defendants whose cases were refused for prosecution by the City Counselor's Office.

An attempt should be made to determine the proper disposition of these monies. A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid to the city treasury as provided by state law. The court should also attempt to locate the surety's from the refused cases and refund the bond monies. For any bonds which remain unclaimed, state law requires bonds unclaimed for one year after disposition of the case to be turned over to the state's Unclaimed Property Section.

As of February 20, 2003, the court had received \$329,491 in overpayments that should be used to pay other tickets or refunded. When overpayments are received, the court does not automatically make refunds to the payors unless requested by the payor. Instead, overpayments are turned over to the city along with regular payments of fines and costs.

The overpayment listing includes the name and address of the registered owner of the vehicle, but the court has not attempted to disburse these refunds to the payors or to transfer the overpayment to other unpaid parking ticket on the same license plate. In addition, they have not sent any of the unrefunded overpayments to the state's Unclaimed Property Section.

Similar conditions were noted in our prior report.

The lack of communication between the municipal divisions and the police department has also resulted in some offenses not being prosecuted. Due to data storage limits, the municipal divisions have to purge old ticket sequences. When a ticket is issued from a sequence that has been purged from the system, the computer does not recognize the ticket number as valid. This results in the ticket being voided and the offense not being prosecuted. To correct this problem, the police department needs to be informed of the sequences that have been purged so any remaining tickets in these sequences can be recalled.

Additional concerns regarding bond and ticket accountability were noted.

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YELLOW SHEET

TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Presiding Judge
and
Municipal Judges
and
Dimitri Gay, Court Administrator
Twenty-Second Judicial Circuit
St. Louis, MO 63103

We have audited certain operations of the city of St. Louis Municipal Divisions of the Twenty-Second Judicial Circuit. The scope of this audit included, but was not necessarily limited to, the fiscal years ended June 30, 2002 and 2001. The objectives of this audit were to:

1. Determine the internal controls established over the financial transactions of the municipal divisions.
2. Review and evaluate certain other management practices for efficiency and effectiveness.
3. Review certain management practices and financial information for compliance with applicable legal provisions.
4. Follow up on action taken by the municipal divisions on the applicable findings in our prior audit report.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed accounting and bank records and other pertinent documents and interviewed various personnel of the municipal divisions.

As part of our audit, we assessed the controls of the municipal divisions to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal divisions' management and was not subjected to the procedures applied in the audit of the divisions.

The accompanying Management Advisory Report presents our findings arising from our audit of the city of St. Louis Municipal Divisions of the Twenty-Second Judicial Circuit.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill
State Auditor

March 14, 2003 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Alice M. Fast, CPA
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MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

1.	Bond Controls and Procedures
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Our review of the municipal divisions' controls and procedures over bonds noted the following areas where improvements are needed:

- A. The divisions do not account for the numerical sequence of bond forms issued at the court. To ensure all bonds posted at the court are receipted, deposited, and posted to the bond computer system, the municipal divisions should ensure the numerical sequence of bond forms is accounted for properly and agreed to a receipt on the computerized report of transactions. This procedure should be performed by someone independent of the cash receipting process.
- B. The July 31, 2002 balance in the municipal divisions' bond account included cash bond receipts totaling more than \$679,000 which have been held in excess of one year. In addition, this balance includes several bonds from defendants whose cases were refused for prosecution by the City Counselor's Office.

In May 2001, the municipal divisions disbursed bond monies to the state for closed cases which had been held over one year. The municipal divisions did not do anything with the bond monies held on cases that were in warrant status at that time.

An attempt should be made to determine the proper disposition of these monies. A review should be made of any bonds posted by persons who failed to make the required court appearance to determine if the bonds should be forfeited and monies paid to the city treasury as provided by Section 479.210, RSMo 2000. The court should also attempt to locate the surety's from the refused cases and refund the bond monies. For any bonds which remain unclaimed, Section 447.595, RSMo 2000, requires bonds unclaimed for one year after disposition of the case be turned over to the state's Unclaimed Property Section.

Similar conditions were noted in our prior report.

WE RECOMMEND the municipal divisions:

- A. Ensure the numerical sequence of all bond forms is accounted for properly and agreed to a receipt on the computerized report of transactions by someone independent of the cash receipting process.
- B. Establish procedures to routinely follow-up on cash bonds remaining on hand over a period of time to see if the bonds can be forfeited or returned to the surety. Any unclaimed bond monies should be turned over to the state's Unclaimed Property Section in accordance with state law.

AUDITEE'S RESPONSE

- A. *The Courts do not log and sequence the bonds issued from the Clerk's Office. However, the monies are deposited and posted to the computer system. To increase the controls of this operation, the Courts will develop a method of manually sequencing the bonds. Additionally, the technological improvements of the Courts will allow for an electronic record.*
- B. *The Courts have been tardy with unclaimed monies and refunds. A plan exists to notice the surety from refused and unclaimed cases. At the conclusion of the noticing period, unclaimed monies will be forwarded to the Missouri Unclaimed Property Section. The implementation timeframe is within the year. The permanent fix for this problem will be a manual system to check for unclaimed funds and forwarding to the state.*

2. Overpayments

As of February 20, 2003, the municipal divisions had received \$329,491 in overpayments that should be used to pay other tickets or refunded. The divisions accept payments on parking tickets through the Violations Bureau (VB) and through two bank lockboxes. When overpayments are received, the divisions do not automatically make refunds to the payors unless requested by the payor. Instead, overpayments are turned over to the city along with regular payments of fines and costs.

The overpayment listing includes the name and address of the registered owner of the vehicle, but the court has not attempted to disburse these refunds to the payors or to transfer the overpayment to other unpaid parking tickets on the same license plate. In addition, none of the unrefunded overpayments have been sent to the state's Unclaimed Property Section. Personnel of the municipal divisions indicated they are planning to refund these overpayments if the license plate does not have any unpaid tickets, but they have not researched the overpayments to either apply the monies to additional unpaid tickets or disburse those monies that cannot be applied to other tickets.

To ensure proper accountability for overpayments, the court should attempt to refund any overpayments which cannot be applied to related unpaid tickets. For any overpayments which cannot be refunded or applied, Sections 447.500 through 447.595, RSMo 2000, which relate to unclaimed property, should be followed to disburse these monies.

A similar condition was noted in our prior report.

WE RECOMMEND the municipal divisions apply any overpayments to additional unpaid tickets for the same license plate and disburse any remaining overpayments to the payors. Any overpayments which cannot be refunded or applied should be disbursed in accordance with state law.

AUDITEE'S RESPONSE

The Courts have been tardy with applying overpayments to additional unpaid parking tickets on the same license plate. This is a time consuming manual process handled by the Traffic Violation Bureau staff at this time. A plan, similar to the bond control solution, will be used to address the backlog of overpayments and inapplicable monies. The timeframe for implementation is one year. The permanent fix for this oversight will be evaluated for an automated process.

3. Ticket Records and Procedures

A lack of communication and cooperation between the municipal divisions and the St. Louis City Police Department is hindering both departments' efforts to improve ticket records and procedures. The issues we identified that require cooperation among the municipal divisions and the police department are:

- A. The numerical sequence of the Uniform Complaint and Citations (UCCs) and parking tickets and their ultimate disposition is not accounted for properly. Police officers issue UCCs and parking tickets and the city of St. Louis Meters Division's employees issue parking tickets. Once issued, copies of these instruments are forwarded to the police department's Information Services Department (ISD) who enters information from the tickets onto the computer. ISD can print the tickets issued in numerical order, as well as a listing of voided tickets they received; however, the municipal divisions do not receive a copy of the listing and no one at the police department reviews the listing and investigates any missing ticket numbers.

Without a proper accounting of the numerical sequence and disposition of tickets, the police department, the meters division and municipal divisions cannot be assured that all tickets issued were properly submitted to the court for processing.

- B. Records initiated and maintained at the police department are not retained in accordance with Missouri Supreme Court Operating Rule 8. The police department has set their own record retention policy and submitted it to the Secretary of State for approval; however, this policy conflicts with the Missouri Supreme Court Operating Rule 8 that municipal divisions are to follow regarding ticket logs and copies of tickets. The police department maintains logs of ticket books that have been assigned to police officers for thirteen months. Copies of parking tickets and traffic tickets that are received by ISD are retained for six months. The court record retention policy requires these records to be kept for a longer time period.

Retention of municipal records is essential to establishing accountability of municipal division activity and in demonstrating compliance with state law. Effective control of records requires all documents and records be safeguarded

against loss, be accessible to the appropriate municipal division employees, and upon reasonable request, be accessible to the public.

- C. The lack of communication between the municipal divisions and the police department has also resulted in some offenses not being prosecuted. Officers have issued UCCs from ticket books that were too old for the court to be able to account for properly and prosecute. Due to data storage limits, the municipal divisions have to purge old closed cases off the Regional Justice Information System (REJIS). When a ticket is issued from a sequence that has been purged from the system, the computer does not recognize the ticket number as valid data. This results in the ticket being voided and the offense not being prosecuted. Communication could prevent this by informing the police department of the sequences about to be purged, so the police department could recall any ticket books with these sequences and reassign new books to the officers.

WE RECOMMEND the municipal divisions and police department work together to address and eliminate mutual problems. The divisions and police department should work together to ensure current tickets are issued for all offenses so they can be properly prosecuted and ensure the numerical sequence of tickets assigned and issued and their ultimate disposition is accounted for properly. In addition, the municipal divisions and the police department should evaluate the records retention policy of the police department and develop a policy that is in accordance with the Missouri Supreme Court Operating Rule 8.

AUDITEE'S RESPONSE

The Municipal Divisions responded:

- A. *Additional dialogue has been initiated to address the numerical sequencing of UCCs and parking tickets and their disposition. An automated batching process is being explored to match all parking tickets and UCCs. The implementation timeframe is to be determined.*
- B. *The Courts maintain a record retention schedule that meets and exceeds Missouri Supreme Court Operating Rule 8. The Courts are unaware of the police department's inquiry and current practice of retaining written records for six to thirteen months. The Court has contacted the planning section of the Metropolitan Police Department to advise them of Operating Rule 8. Moreover, a comprehensive solution to record retention and electronic media is underway.*
- C. *The problem of outdated ticket books periodically occurs. To safeguard against this issue, REJIS flags outdated UCC series and prohibits their entry into the system. The outdated UCCs are returned to the Metropolitan St. Louis Police Department to be re-issued under an active UCC series or voided. Once notified of the outdated series, the police department has the obligation to collect all outdated UCCs. Finally, the police department is notified of series changes. REJIS assists with locking out outdated information with their automated process. There are no plans to change this; however, the increased dialogue with the police should reduce rejected UCCs.*

The Police Department responded:

- A. The Police Department ISD is currently working on addressing accounting for the numerical sequence of summonses and parking tickets. To fully account for the sequence of UCCs they will need access to the information entered by the court or they will need to give their void information to REJIS who can then combine the information and run a report of missing sequences.*
- B. The ticket logs for distributed tickets have been replaced by computer files as of September 2001. Ticket books are assigned to police officers by DSN and entered into the ticket database. This information will be kept the required amount of time.*
- C. We agree with the finding and recommendation.*

FOLLOW-UP ON PRIOR AUDIT FINDINGS

TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by the city of St. Louis Municipal Divisions of the Twenty-Second Judicial Circuit on findings in the Management Advisory Report (MAR) of our prior audit report issued for the two years ended June 30, 1997.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the municipal divisions should consider implementing those recommendations.

1. Receipt Controls and Procedures

- A. Voided receipt slips were not always retained and cashiers did not always document the reason transactions were voided. In addition, there was not always an adequate supervisory review of the voided transactions.
- B. The duties of receiving, recording, and transmitting/depositing monies collected by the Traffic Violations Bureau (TVB) were not always adequately segregated.

Recommendation:

The municipal divisions:

- A. Retain all voided receipt slips and document the reason for voiding transactions. In addition, the supervisor voiding the transaction should review the reason for voiding the transaction to ensure it appears valid.
- B. Ensure there is always a documented independent review of the reconciliation of the composition of monies entered on the computerized receipting system to monies ready for transmittal/deposit. In addition, someone independent should always be reviewing and posting voided transactions.

Status:

Implemented.

2. Bond Controls and Procedures

- A. No one at the court accounted for the numerical sequence of the bond forms issued by the St. Louis Police Department and the court's counter area.
- B. The January 31, 1998 balance in the municipal divisions' bond account included cash bond receipts totaling \$149,591 which had been held in excess of one year. Many of these bonds were more than two years old.

Recommendation:

The municipal divisions:

- A. Ensure the numerical sequence of bond forms is accounted for properly and agreed to a receipt on the computerized report of transactions by someone independent of the cash receipting process.
- B. Forfeit any bonds for persons who failed to make the required court appearance. Procedures should be established to routinely follow-up on cash bonds remaining on hand over a period of time to see if the bonds can be forfeited.

Status:

- A. Partially implemented. A police officer independent from the bond issuing process accounts for the numerical sequence of bond forms issued by the St. Louis Police Department. No one is accounting for the numerical sequence of the bond forms issued by the court. See MAR finding number 1.
- B. Not implemented. See MAR finding number 1.

3. Overpayments

- A. The monthly listing of tickets with an overpayment did not include parking tickets that had been purged off the court's computer system.
- B. The monthly listing of tickets with an overpayment did not include parking tickets where a payment was made after the parking ticket had already been closed out on the court's computer system.
- C. The court did not automatically refund overpayments to the payors unless the payor requested a refund. Any overpayments were turned over to the city along with other regular payments of fines and costs. In addition, they did not send any of the unrefunded overpayments to the state's Unclaimed Property Section.

Recommendation:

The municipal divisions work with REJIS to identify and track any overpayments on parking tickets that have been purged off the system. The court should also work with REJIS to obtain a list of parking tickets where a payment was made after the ticket was already closed out on the system. In addition, refunds should be sent to any people who have overpaid and for which a name and address can be obtained. Any overpayments which cannot be refunded or applied should be disbursed in accordance with state law.

Status:

Partially implemented. The court can now print out the overpayment listing with all overpayments from parking tickets. The court is still not automatically refunding overpayments. See MAR finding number 2.

4. Court Costs Charged on Parking Tickets

The court was not charging court costs equitably on some parking tickets.

Recommendation:

The municipal divisions review their procedures for charging court costs on parking tickets and related 'C' cases.

Status:

Implemented.

HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS
HISTORY, ORGANIZATION, AND
STATISTICAL INFORMATION

The Twenty-Second Judicial Circuit is composed of the city of St. Louis. The Honorable Margaret M. Neill serves as Presiding Judge. There are four municipal divisions within the Twenty-Second Judicial Circuit.

The municipal divisions are governed by Chapter 479, RSMo 2000, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau (VB) in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Operating Costs

The operating costs and court salaries of the municipal divisions are paid by the city of St. Louis.

Organization

The municipal divisions employ a court administrator who is responsible for all record keeping and collections of the court. A VB has been established to receive payment of all fines and costs. The VB transmits fines and costs daily to the City Treasurer's office. The municipal divisions have contracted with a local bank to receive and post the collection of fines and costs on parking tickets which are sent in through the mail. These mail receipts are deposited directly by bank personnel into municipal division bank accounts and wire transfers are prepared monthly to remit these fines and costs to the city treasury. Bond monies are collected by the police department and the VB and are deposited daily into a court bond bank account. Court is held daily in each division. The municipal divisions have created several specialty courts to address the specific needs of the accused. Additional support from federal and local grant monies has been received by the court to support the specialty court personnel. The specialty courts include: Truancy Court, Female Drug Court, Mental Health Court, Problem Properties Court, Downtown Community Partnership Court, and Quality of Life Court.

Personnel

Municipal Judge, Division I	Bettye Battle-Turner - Administrative Judge*
Municipal Judge, Division II	James E. Sullivan
Municipal Judge, Division III	William J. McHugh
Municipal Judge, Division IV	Joseph I. Murphy
Provisional Judges	Ruby L. Bonner
	Theresa Counts Burke
	Debra Carnahan
	Newton McCoy
	Susan Woods-McGraugh
	Richard Torack
	James Wahl
	Lisl King-Williams
Court Administrator	Dimitri Gay**

Provisional judges fill in for the appointed municipal judges when the appointed judges are unable to attend court.

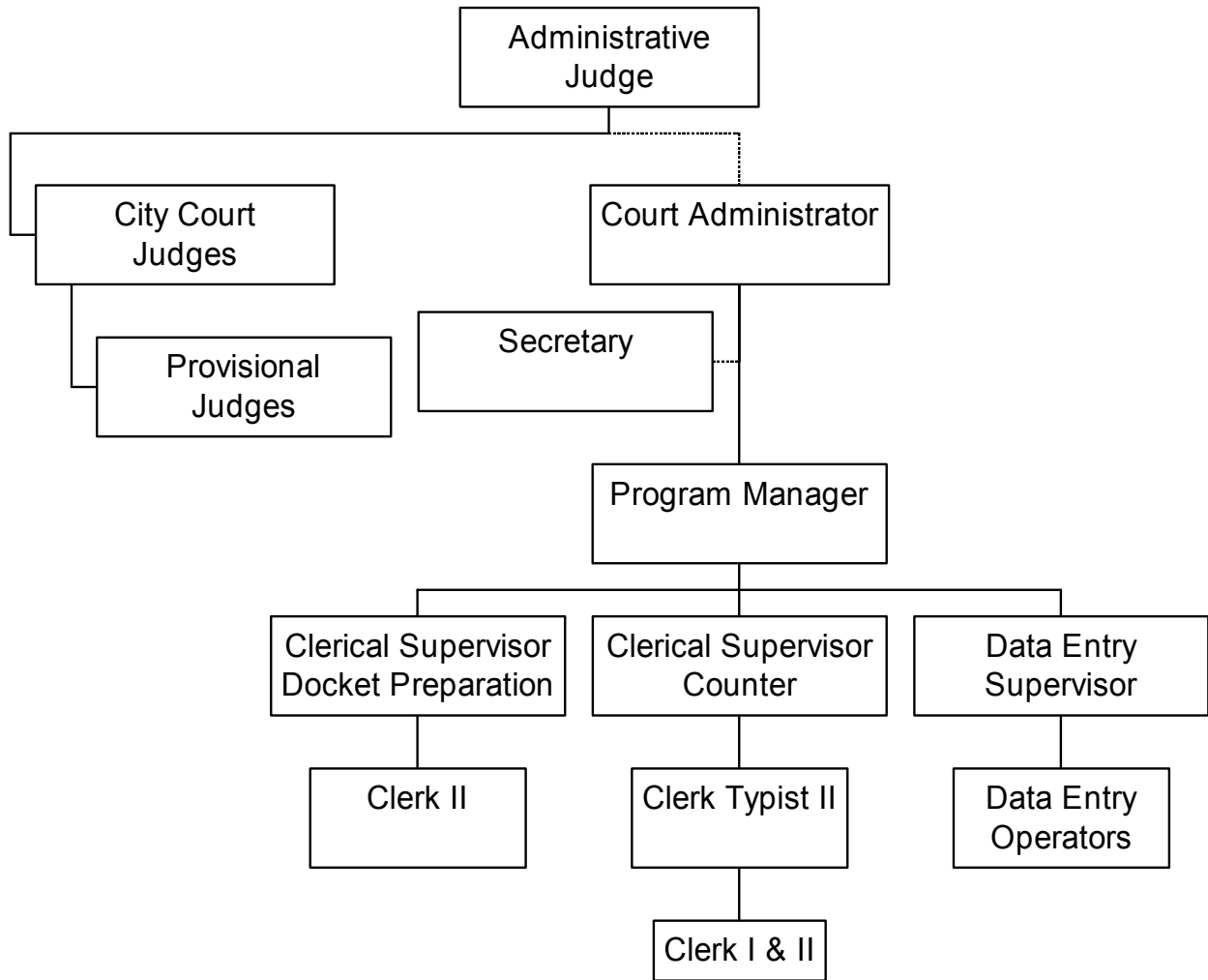
* James E. Sullivan served as Administrative Judge prior to December 2002.

**Crandall C. Jones served as Court Administrator prior to June 2001.

Financial and Caseload Information

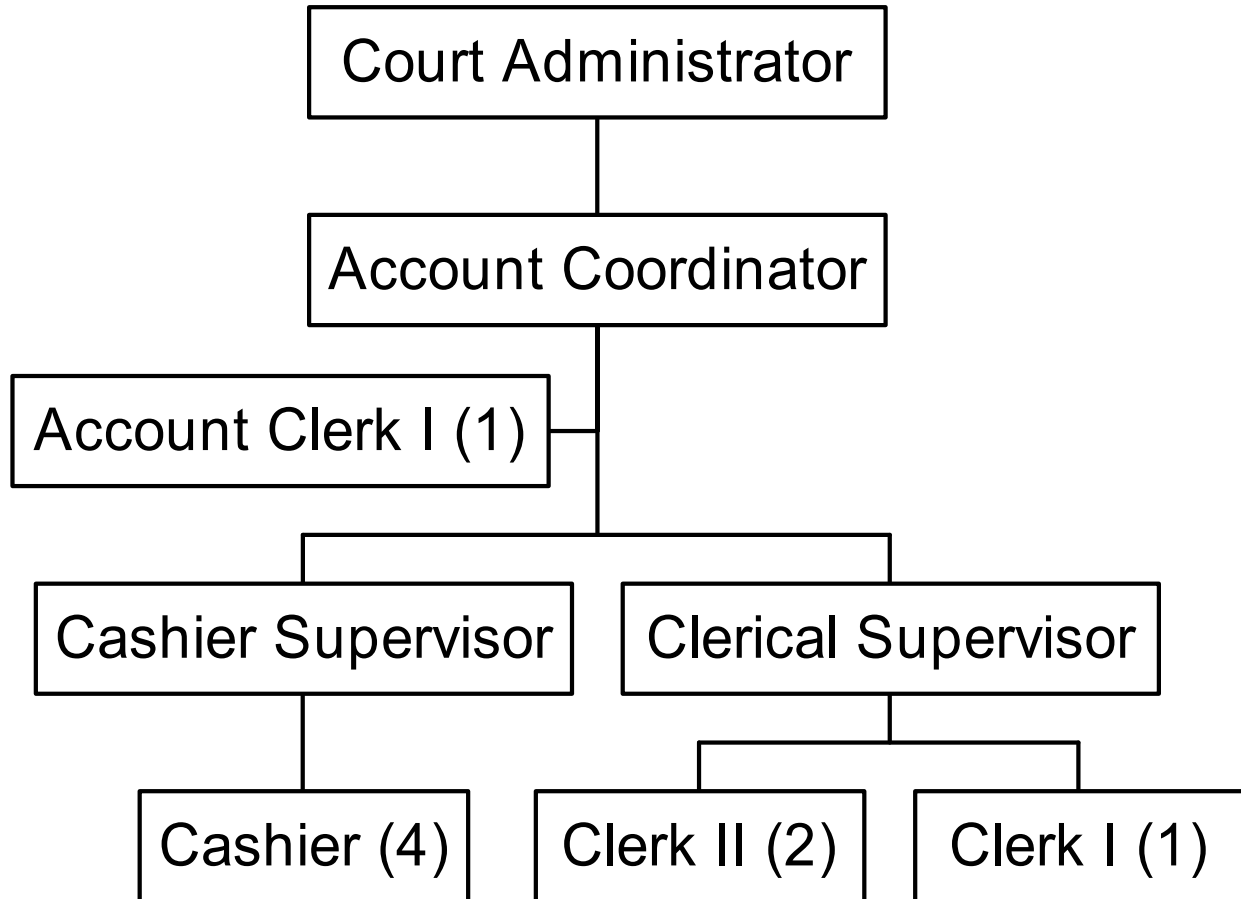
	<u>Year Ended June 30,</u>	
	<u>2002</u>	<u>2001</u>
Receipts	\$11,510,626	10,376,721
Number of cases filed	109,857	109,302

TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS
ORGANIZATION CHARTS



TWENTY-SECOND JUDICIAL CIRCUIT
CITY OF ST. LOUIS MUNICIPAL DIVISIONS
ORGANIZATION CHARTS

Traffic Violation Bureau



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